

innovate. For decades, our Nation's leadership in research has led to discoveries that have dramatically improved living standards around the world and given rise to new industries that have in turn created millions of new jobs.

Other countries are well aware of the significant economic benefits that flow from R&D activities, and many have created strong tax incentives designed to attract R&D investment around the world. In fact, 10,000 American companies will be able to take advantage of the permanency of the R&D tax credit. In my district alone, small and medium manufacturers, technology companies and leading research institutions will greatly benefit from this tax credit.

Let's not play politics with the lifeblood of our economy. Let's join together, both sides of the aisle, to extend the R&D tax credit.

SPENDING FOR CHIP VERSUS SPENDING IN IRAQ—THIS IS A QUESTION OF PRIORITIES

(Mr. BRALEY of Iowa asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRALEY of Iowa. Madam Speaker, the American people agree with the Democratic Congress: It is time to begin responsibly redeploying our troops from Iraq and investing much-needed funds here at home. Instead of beginning to spend less money in Iraq, the President is once again asking Congress to do more; a lot more.

Just last week, President Bush increased his request for additional Iraq funding to a total of \$189 billion next year, bringing the total cost for the war so far to over \$800 billion. Yet, the President has never proposed any way to offset this massive spending; instead, sinking our Nation deeper into debt.

This Democratic Congress and the American public have a different set of priorities. We believe in being fiscally responsible and implemented a pay-as-you-go system to stop piling debt on the backs of our Nation's children. That is why our children's health legislation, which helps 10 million children receive the health care coverage they deserve, is fully paid for.

Madam Speaker, the President's fiscal priorities are irresponsible and misplaced. He should be reducing the amount we are spending in Iraq so that we can again invest in domestic priorities, like children's health care.

NEED FOR PERMANENT R&D TAX CREDIT

(Mr. SALI asked and was given permission to address the House for 1 minute.)

Mr. SALI. Madam Speaker, global competition is a fundamental reality of today's economy. America is doing well because we offer the highest quality products in the world. Only by staying

on the leading edge of technology and innovation will our competitive edge stay sharp. Our competitive advantage will diminish unless our companies have the ability to perform research and develop the technology improvements that keep America out front. That is why we need a permanent R&D tax credit.

One recent study found that R&D credit teases out nearly \$3 of additional R&D investment for every \$1 of taxes companies can deduct. In addition, it has been estimated that more than three-quarters of R&D tax credit dollars are used for the compensation of employees who work in U.S.-based research and development.

In my home State of Idaho, roughly 35,000 people are employed in the high-tech industry. The companies where they work depend on the best possible research and development. It is hard for firms to plan for future growth when a key tax credit is destined to expire at the end of the year.

Madam Speaker, it is time to make the R&D tax credit permanent.

SCHIP VERSUS SPENDING IN IRAQ

(Mr. SARBANES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SARBANES. Madam Speaker, once again, we have a vivid, vivid example of this President's misplaced priorities. Earlier this month, the President vetoed the Children's Health Insurance Program, which would have extended private health insurance coverage to 10 million children in this country at a reasonable investment of \$35 billion over a 5-year period. It costs too much, the President said. We can't afford it. Yet, last week the President requested additional funding for this misadventure in Iraq to the tune of \$189 billion. We can't find money for children and health care in this country, but we can find, apparently, endless supplies of dollars to fund the war in Iraq.

Madam Speaker, this President on this issue and on many other issues is gravely out of touch with the American people.

MAKE PERMANENT THE RESEARCH AND DEVELOPMENT TAX CREDIT

(Mr. WALBERG asked and was given permission to address the House for 1 minute.)

Mr. WALBERG. Madam Speaker, in my home State of Michigan, we have hit some hard times, and recently things have become worse as Michigan's Governor and tax-hiking State legislators inflicted a massive tax increase on the people of Michigan.

While in Congress, I am going to do all I can to aid Michigan's comeback, providing incentives for manufacturers and their employees to innovate, grow and expand. For example, American

auto manufacturers spend \$20 billion a year on research and development, and such investment and innovation among American automakers should be encouraged.

One positive step Congress can immediately take to continue similar innovation is to make permanent the research and development tax credit. This legislation would keep high-tech, high-paying jobs in America by maintaining important incentives and enable American companies to grow, become more competitive globally, and ultimately result in additional high-paying American jobs.

I urge my colleagues to support H.R. 2138, the research and development tax credit, and encourage further investment and growth in our great Nation.

DEMOCRATS MAKE CHANGES TO ADDRESS REPUBLICAN CONCERNS AND IT IS STILL NOT ENOUGH

(Ms. LORETTA SANCHEZ of California asked and was given permission to address the House for 1 minute.)

Ms. LORETTA SANCHEZ of California. Madam Speaker, the children's health insurance legislation passed by the House last month was a bipartisan bill that provided health care coverage to 10 million American children. Although it received overwhelming support from the American people, from 43 Governors, and a veto-proof majority in the Senate, the majority of House Republicans rejected it and said they had specific concerns.

To address their concerns, House Democrats met with Republicans and introduced a revised SCHIP bill last week. We clarified three key points. One, there wasn't any possibility of higher income families being eligible; two, it further clarified that immigrants without documents would not have access to the program; and, three, it phased out over 1 year the coverage of childless adults.

But, Madam Speaker, Republicans in this body just can't take yes for an answer. Even after addressing their concerns in this revised bill, many of our colleagues still insisted on standing with President Bush, instead of with working American families.

IN SUPPORT OF A PERMANENT RESEARCH AND DEVELOPMENT TAX CREDIT

(Mr. SMITH of Nebraska asked and was given permission to address the House for 1 minute.)

Mr. SMITH of Nebraska. Madam Speaker, I rise today in support of a permanent research and development tax credit. We are the strongest Nation on Earth, in large part because of the innovation inspired through research and development. This has been a driving force through our history, leading us to discoveries which add convenience, comfort and productivity to our lives.